SUPPLEMENTAL APPENDIX I

(Exhibit B—R. 75)

JEROME S. SPIVACK
17 Chittenden Avenue
New York 33, N. Y.

July 2, 1948

Att: Mr. L. Burns
Atomic Energy Commission
70 Columbus Avenue
New York, N. Y.

Dear Mr. Burns:

This letter is sent to you, at your request, so that the matters in issue between us can be reviewed and clarified with a view towards the ultimate consummation of a mutually satisfactory arrangement.

On May 27th, 1948, I commenced discussions with your office relative to the potential use of the Dual-Temperature Process for the production of Heavy Water at a very low cost. You were familiar with the fact that I am the sole inventor of the basic process, which has been made the subject of a patent application. Moreover, I have informed you that I believe that I can make certain improvements thereto directed towards the reduction of operating costs to an extremely attractive level, namely, approximately $5.00 per pound.

You and your colleagues suggested that I accept from the Commission a retainer as a consultant for the purpose of reviewing this process and of evaluating it in the light of the proposed improvements and economies. It was also suggested that this retainer include the preparation and submission by me of a design and cost estimate for the construction of a pilot plant to reduce this process to engineering practice. However, inasmuch as your said proposal provided for the waiver and extinguishment of whatever rights, which I may now have or which might otherwise hereafter accrue to me, to compensation or other emolument under existing regulations and procedures, it has not been possible for us to arrive at a mutually satisfactory arrangement to date.

I think we are agreed that the proposed improvements should be refined without delay and that the basic process and improvements are of such importance and interest to the Government that a definite contractual basis is highly desirable at this time.

I, therefore, propose a contract to provide for the following:

1. That I immediately proceed to refine the improvements.

2. That I then re-evaluate the process and improvements relative to plant and production costs.

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3. That I prepare and submit a design, operating specification, and a schedule covering the construction time and cost for a pilot plant.

4. Reimbursement for working time expended, which I estimate will consist of a total of approximately 300 to 500 man hours, by myself and possibly one or two assistants.

5. That reimbursement for working time shall not be considered as payment of any royalty, compensation, award or other benefits provided for under the Atomic Energy Act of 1946 nor shall such reimbursement serve as the basis for the characterization of this work as Federally financed research.

6. That if no arrangement for adequate compensation over and above reimbursement for working time is provided, then all rights which I now or hereafter may have to apply for royalty, compensation, award or other benefits in connection with this process and improvements under the Atomic Energy Act of 1946, shall be specifically reserved unto me.

7. All assignments of patents which may be applied for in connection with this project shall be limited solely to those assignments which are required under the Atomic Energy Act of 1946.

I trust that the foregoing will help to consummate a mutually satisfactory arrangement. However, even if no

such arrangement is entered into, I am nevertheless, willing to prepare and submit to the Commission upon its request, promptly upon completion and at no expense to the Government, a report of the re-evaluation of this process in the light of the proposed improvements.

Thanking you for your many courtesies and consideration, and awaiting your further word, I am

Sincerely,

/s/ JEROME S. SPEVACK

JSS/r